OPEN MEETING AGENDA ITEM

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JANICE K. BREWER
Governor

MICHAEL J. LACEY
Director

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AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

ARIZONA DEPARTMENT of WATER RESOURCES
3550 North Central Avenue, Second Floor
Phoenix, Arizona 85012-2105
602.771.8500
azwater.gov

Arizona Corporation Commission
DOCKETED
MAY 22 2014
DOCKETED BY

May 20, 2014

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Re: Payson Water Company – Mesa Del Caballo - W-03514A-13-0111, W-03514A-13-0142

Dear Arizona Corporation Commission:

The Arizona Department of Water Resources (ADWR) is aware that Payson Water Company is in Stage 4 curtailment and is proposing to be served on an emergency basis through an interconnect to the Town of Payson.

Payson and its surroundings are located in the Central Highlands Transition Zone Physiographic Province. The groundwater system along the Mogollon Rim includes relatively thin alluvial aquifers, and limited volumes of groundwater flowing in fractured crystalline, sedimentary, and volcanic rock. The available water supplies to water users in this region have been negatively impacted by the drought conditions experienced over the last 14 years throughout Arizona and the Southwest. Precipitation, runoff and aquifer recharge has been well below normal during this time. Well yields are down and many wells are proving incapable of meeting demands. We anticipate these conditions to continue and worsen until precipitation patterns provide adequate snowpack to replenish these depleted systems.

At Governor Brewer's request, ADWR published *Arizona's Next Century: A Strategic Vision for Water Supply Sustainability* in January, 2014. Payson and Mesa Del Caballo are located in the Roosevelt Planning Area. ADWR identified the C.C. Cragin Pipeline project being pursued by the Town of Payson as a viable strategy for meeting future water demands in the Planning Area. We believe that the Town, Payson Water Company and the residents of Mesa Del Caballo will benefit from access to the water supplies stored and developed in the C.C. Cragin Reservoir. Upon completion, this imported surface water can be conjunctively managed with local groundwater and reclaimed water to greatly enhance water supply resiliency in the region.

Respectfully,

Michael J. Lacey
Director